



20 September 2013

Guild Response to Medicines Australia Transparency Model Consultation and Discussion Paper

Background

The Pharmacy Guild of Australia (the Guild) was established in 1928, and is registered under the federal Workplace Relations Act 1996 as an employers' organisation. The Guild's members are the owners of approximately 80% of the 5,300 community pharmacies in Australia. The Guild aims to promote, maintain and support community pharmacies as the most appropriate primary providers of health care to the community through optimum therapeutic use of medicines, medicines management and related services.

The Guild strongly supports the Medicines Australia Code of Conduct and acknowledges its long history and Medicines Australia's world leadership in this area. We also support the Principles for Transparency¹ for maintaining a relationship of trust and mutual respect between health care professionals and patients. Recognising the Transparency Model as a critical element of the Code of Conduct, this submission provides comments regarding specific areas of the Transparency Model as proposed within the Consultation and Discussion Paper of June 2013. The Guild would welcome further discussion on any aspect of these comments should further input be required.

Comments

Preferred Option for Managing Transparency Reports

The Guild supports Medicines Australia receiving and managing the publication of reports, at least until expansion of the scheme with adoption by other relevant medicines codes.

Name of healthcare professional recipient

We note in section 3, that the name of the healthcare professional recipient is to be included in any reports. There are some grey areas when companies are dealing with business entities rather than an individual, and consideration needs to be given to clarifying who should be recorded.

When there is a transfer of value to an individual in the employment of a business (e.g. gift or meal), it is straight forward that the records would show the individual as a recipient. However, the Guild queries which party would be reported as the recipient if the transfer of value was to a business or group. Given the Code of Conduct relates specifically to prescription medicines, the Guild suggests that for a pharmacy, the Pharmacist Manager assumes responsibility for the operation of the dispensary. In many instances, this will also be the owner. In instances when there is a difference, we suggest that it is most appropriate to record the Pharmacist Manager.

There may be instances in which a pharmacy 'Banner Group' may be the recipient for a transfer of value. In such instances, the Guild suggests that if the item of value can be further distributed to identifiable members of the Banner Group, the report includes details of the individuals. In other instances, the report need only be for the organisational name. As an example, if the 'Smith Company' sponsors a dinner for 50 pharmacists from the 'Premier Pharmacy Group' at \$100 a head, a report would be made for the 50 individual pharmacists. If the 'Smith Company' also gave the 'Premier Pharmacy Group' head office a gift in appreciation of their work to arrange the dinner, that would be reported as the 'Premier Pharmacy Group'.

Form of payment or transfer of value

Under section 3.6, the Guild suggests a definition of examples be provided for 'in-kind items or services'.

Category of payment or transfer of value

Under section 3.7, the Guild suggests that 'Gifts' should be an additional category.

Requirements for CPD Programs

The Guild supports the requirements for section 4.1 so long as the independence of speaker selection is maintained. The Guild appreciates the sponsorship that companies put into CPD programs and events and we do not support companies being burdened unnecessarily with administrative requirements. The sponsorship package is provided unrestricted for a CPD program or event and all health care professional engagements and payments are managed by the event organiser without input from the sponsor.

Exclusions

The Guild recognises the need to have exclusions to reporting requirements under the Transparency Model in order to contain excessive administrative requirements and to also protect commercial-in-confidence transactions. In particular the Guild supports:

- Section 5.2 – Limiting the dollar value against which reports must be made. It is unreasonable to require a company to be burdened with maintaining records for minor and trivial expenses. The Guild is broadly supportive of the concept of the Second Alternative presented (limit of \$10 per transaction for recording and reporting if annual aggregate exceeds \$100). However, given that \$10 would barely cover a shared coffee, we suggest that the limit could be \$25 per transaction for recording with a requirement for reporting if the annual aggregate exceeds \$100.
- Section 5.4 – The Guild agrees with the exemption for 'Starter Packs' and the premise that the Starter Pack has no personal value to the health care professional. In saying this, we still believe that prescribers must continue to honour the intention of Starter Packs being a 'trial' pack for the patient and that supply is consistent with state and territory legislation and Quality Use of Medicine (QUM) principles.
- Section 5.7 – The Guild fully supports the exclusion of business to business trading arrangements from reporting requirements. Such arrangements are commercial-in-confidence and we would be concerned if there were mechanisms in place in which competitors would have access to such information.

We do not believe that any public interest would be served with such disclosure as trading terms do not impact on prescribing decisions but rather on the brand/s of medicines stocked by a pharmacy. In addition, sales of prescription medicines are disclosed to the Government through price disclosure and inclusion in these reports is unnecessary, very complex and an administrative burden for companies. In addition, such reporting has the potential to also interfere and distort the price disclosure process.

- Section 5.11 – while supporting the intent for exclusion of payments to health care professionals as expert witnesses, we would have an expectation for transparency in the event that a witness had any shares or ownership in the company being investigated.
- We also suggest adding ‘Company sponsored QUM support services’ to the exclusion list. This may be assumed to be excluded by omission, but we believe for transparency, it is better to be listed as an exclusion.

With QUM support services through third parties such as Guildcareⁱⁱ, professional service fees are paid to pharmacists as part of an enhanced Patient Support Program. These fees are covered by the medicine company for the time spent with patients above and beyond counselling to enhance a patient’s understanding of their condition and the medicines used to treat it. We are concerned that if future services of this nature had to be reported, it would be an onerous responsibility for companies and the third-party administrator. It may also act as a disincentive for companies wanting to invest into this service model. The fees paid in this instance should not be positioned or perceived as anything other than a fee for service/time spent in supporting QUM.

Given the budget limitations on Government funding, the health sector must look to other funding sources and to potentially jeopardise company supported service models is not in the public interest. With these programs, transparency is maintained by requirements that the health care professional, in this case the pharmacist, advises the patient of any payments they receive for the service. In this situation, the patient benefits from a free service, the pharmacist benefits from additional revenue for their professional service, the company benefits from ongoing sales due to better adherence, and the Government and community benefit from better health outcomes due to better medicine management.

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ⁱ 27 May 2013; <http://medicinesaustralia.com.au/issues-information/transparency-working-group/>

ⁱⁱ www.guildcare.com.au